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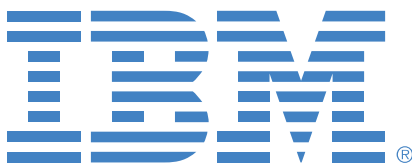
Big Data and Analytics in the Enterprise

How to Leverage Analytics to Improve Social Marketing Initiatives

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In discussing enterprise marketing strategy, don't use the word "social," writes author David Meerman Scott in this opinion piece. Instead, substitute "real-time." An immensely powerful competitive advantage flows to organizations with people who understand the power of real-time information, he adds.

A Real-Time Mind-Set for Marketing

by David Meerman Scott

When I speak with executives around the world about social, many think of their kids' Facebook or Twitter and what you had for lunch, deciding that social is frivolous at best and a dangerous time-waster at worst.

But social business is not just about social media. In discussing enterprise marketing strategy, I recommend not using the word "social" at all and instead substitute "real-time."

An immensely powerful competitive advantage flows to organizations with people who understand the power of real-time information.

What are people doing on your website right now? Has someone just praised you on Facebook? Panned you on Twitter? Published a how-to video about your product on YouTube?

Executives understand real-time. And they are eager to implement real-time ideas.

Conventional vs. Real-Time

The conventional business approach to marketing favors a campaign (note the war metaphor) that requires people to spend weeks or months planning to hit targets. Agencies must be consulted. Messaging strategies must be developed. Advertising space and time must be bought. Conference rooms and refreshments must be prepared for press conferences. Do you serve them sushi or sandwiches?

The real-time mind-set recognizes the importance of speed. It is an attitude to business (and to life) that emphasizes moving quickly when the time is right.

Developing a real-time mind-set is not an either/or proposition. I'm not saying you should abandon your current business-planning process. Nor do I advocate allowing your team to run off barking at every car that drives by. Focus and collaboration are essential.

Large Organizations Need to Work at It

The more people you have in an organization, the tougher it is to communicate in real time. In a command-and-control environment where no action can be taken without authority, without consultation, without due process, any individual who shows initiative can expect to be squashed.

The challenge is to develop a new balance that empowers employee initiative but offers real-time guidance when it's needed—like a hotline to higher authority.

In a real-time corporate culture, everyone is recognized as a responsible adult.

Three Tactics for Real-Time Engagement

1. Connect with customers now

Finding ways to interact with customers on a regular basis and in real time is something of an art form. But if you have the right creative approach, social media can now make communication instant, easy and free.

Albion Cafe in Shoreditch, London, sends a tweet (@albionsoven) when baked goods come fresh and hot from the oven. Example: Fresh coconut cake.

Locals subscribe so they know exactly when to pop over.

2. Develop a real-time communications policy

Develop an effective code of real-time communications and proactively embed it throughout your organization. Guidelines mean employees know they have the freedom to communicate in real time when the opportunity arises. Train it, demonstrate it, discuss it and review it until this becomes second nature to everyone. Have your people internalize it as deeply as the instincts that tell them when it's safe to turn left at a traffic light (or right if they're Brits).

IBM's code is called "Social Computing Guidelines." The purpose is to provide rules to help employees engage the marketplace and customers in real time—effectively and responsibly.


"A big part of being engaged in the community is feeling comfortable with what you can say and what you can't say, so we wanted to establish the boundaries," says Tim Washer, who headed social media for IBM when the guidelines were developed. "If you identify yourself as an IBMer, then you need to adhere to the guidelines. The guidance we offer is that if you give perspective on a topic that has something to do with IBM, we want you to speak as an IBMer."

3. Enable real-time technology

To support real-time business, you need technology infrastructure every bit as sophisticated as a financial trading floor. When well-integrated into an appropriate technology backbone, these modules work together to feed the dashboard that your marketers, PR professionals, salespeople, and executives use every day.

Real-Time Leadership

If you're the leader, and you want to cultivate a real-time mindset throughout your organization, tear down the command-and-control mentality. Recognize your employees as responsible adults. Empower them to take initiative. Give them opportunities to hone their communication skills; give them clear guidelines as to what's appropriate and what's not.

Scale and media buying power are no longer a decisive advantage. What counts today is speed and agility. While your competitors scramble to adjust, you can seize the initiative, open new channels, and grow your brand. 



David Meerman Scott (Twitter: @dmsscott) is a marketing strategist and the author of several books, including *Real-Time Marketing & PR: How to Instantly Engage Your Market, Connect with Customers, and Create Products that Grow Your Business Now*.

How Big Data Can Solve Marketers' Social Engagement Challenges

by Carol Wolicki

Despite advances in cross-channel marketing automation, the majority of today's marketers still approach customer engagement with a campaign-based mentality. The blast approach – rooted in mass marketing print and online ads, email and direct mail — is marketing comfort food: familiar, cost-contained, and easy to digest. But it's also easily dismissed by consumers who, in today's digital world, are squarely in control of message and information consumption.

To more successfully engage, many companies try to take advantage of consumers' digital participation by setting up social media programs or inbound marketing programs. The approach relies on listening tools, social messaging platforms, and content management programs that often require teams of staffers or outsourcers to monitor consumers' activities, create relevant content and provide timely responses. Are they successful? It depends on how you define success.

Marketers can point to a growing roster of Twitter followers, an ever-increasing number of Facebook "likes" and the feedback their organizations receive in a variety of social channels as proof. But true engagement only happens episodically, and often depends on how alert the team is. The classic example is the social media pundit who commented in his Twitter feed about a desire for a steak from his favorite restaurant. And there, when he arrived at his destination, was Morton's with a steak dinner. But it doesn't happen to everyone because the process of responding reactively to each person individually isn't scalable, and even if it was, how would companies decide who to respond to and who to ignore?

As a means of engagement, these systems fail. Why? Because the effort — like other discrete marketing initiatives — is siloed. Not just in practice but — more importantly — in the way the approach deals with customer data which is often trapped in separate systems, different types of file formats and managed using different types of rules. Consequently, social engagement efforts are people-based, expensive and sporadic.

To facilitate true customer engagement requires a different approach: one that relies on the ability to capture both big and small customer data, combine and analyze it, and derive insights from it to automatically drive the correct action — action that's timely and relevant to the individual and appropriate for the channel they're using.

For marketers to facilitate true customer engagement requires an approach that captures both big and small customer data, and derives insights from it to automatically drive the correct action in a way that's timely and relevant to the customer and the channel she's using, writes Carol Wolicki of RedPoint Global.

Attention Marketers: Big Data Is Your Friend

In the past, creative marketers often were accused of being 'data-shy.' But they're not, really. They use data and numbers all the time: SIC codes, address data, socio-economic data, CPM (cost per thousand) and CTR (click through rates), and other information that helps them determine reach, response and ROI. They look to business intelligence tools for information on customer trends. They rely on web analytics and transactional data for purchasing patterns.

Yet, nine out of ten marketers will say the same thing: "My customer data is a mess." Fixing this "mess" is the first step to true engagement. Big data solutions that are now emerging can help marketers take solid steps towards resolving data disconnects and lead to better customer experiences, such as this one:

Fran Flyer is on a two-segment flight from Boston through Chicago to LA. Her flight out of Logan Airport is delayed because of mechanical difficulty. Attempting a re-route, Fran asks the desk agent about alternative flights. The busy agent pushes her off to Customer Service in another part of the airport. Loathe to leave her seat in case the existing flight boards, Fran logs into her airline's website from her iPad and finds an alternative flight leaving in half an hour. She books the flight, pays the additional fee, and goes immediately to the gate. When she gets there she finds out the flight is overbooked. Fran expresses her frustration on the airline's Twitter feed. All of a sudden she's engaged with a social media representative who is alerted because Fran's Twitter ID, which is part of her master data profile, identifies her as a Super-Elite Flyer with over 350,000 miles on his airline. He immediately puts her back on her original flight, refunds her fee, and directs her to her original gate. The flight leaves 20 minutes later. The social media rep also calls the agent at the arrival desk in Chicago to make arrangements so that Fran doesn't miss her connection to LA.

An impossible scenario? No. Not if the big data (from the social media feed) is monitored effectively and connected to the little data (Fran's frequent flyer status and her customer data profile with all of her assignable address information) and appropriate alerts are set up so that agents can proactively respond.

But who does this? Marketers who recognize that big data is an asset but an even bigger asset when it's tied to existing customer data. These marketers know that doing so can improve their companies' ability to acquire and retain customers.

Three Tips for Marketers Who Want to Use Big Data to Improve Customer Experiences

1. A Little Knowledge Can Go A Long Way

To empower yourself and your organization to take advantage of big data, you need passing knowledge of what big data is and what technologies are available to help you manage it. To get a sense of what big data is, you might want to read up on experts such as Doug Laney, an analyst at Gartner who first characterized big data as having three Vs: volume (lots of data), velocity (the speed with which it's produced), and variety (different types of data). Others have added "veracity" and "value." You should also familiarize


yourself with Hadoop, an open-source distributed filing system that is designed to index large amounts of data – regardless of its structure – cheaply. You don't have to become a Hadoop programmer to understand that cutting the costs of managing large amounts of data – including social media data – could be beneficial for your company. Acquaint yourself with the latest news about Hadoop 2.0 or YARN. It's probably the most significant development in this area so far, since it will enable application developers to deliver solutions that won't require deep knowledge of Hadoop to gain its benefit.

2. Start Small and Capture Everything

New technologies make it possible for you to capture and store both structured and unstructured data cost-effectively on inexpensive hardware running Hadoop. So, go ahead and capture what best fits your needs: Twitter feeds, social graph scans, Facebook comments, blogs, geo coordinates, mobile app activity — whatever is important (or might be important) to helping you improve your customer's experience and ongoing engagement with your company. With new data management tools your database and business analysts won't need specialized programming skills to gain access to — and manipulate — data directly within the Hadoop cluster. They'll be able to sift through data "riches" easily to find — possibly unexpected — insights of value to your marketing efforts. And, if you start small and gain confidence as you go, you'll be able to share your initial successes and move on to bigger wins.

3. Big Benefits from Small Data

One real payback from big data is how you use it to enhance your "little data." Tying insights from social media streams to information in your core customer database will enable you to gain greater insights about your customers' real-time behaviors, their attitudes about your company or your competitors, and take actions to enhance their experiences with your organization. Data, insight, and action: it's a Marketers' Trifecta. But you only win here if you are able to effectively resolve customer identities — from uncommon and diverse sources — so you can respond to the right person correctly.

If, in the frequent flyer example above, the airline hadn't taken steps to match up Fran Flyer's frequent flyer ID with her Twitter profile, the social media rep would not have had the insight to know if he was responding to a "frequent" or a "not-so-frequent" flyer. And, as social media becomes a more prevalent form of interaction for customer support issues, knowing exactly which customers are the most valuable — and deserve faster response or different types of responses — could be an important and expense-saving business decision. 



Carol Wolicki, vice president of marketing for RedPoint Global, has more than 20 years of tech marketing communications experience. She previously was VP of marketing for WebbMason, a marketing services and software solutions provider. She also held senior marketing management positions at Unica (now part of IBM); integrated marketing agency Kelley Habib John; and marketing software vendor Ennect. Email her at carol.wolicki@redpoint.net. Follow her on Twitter: [@cwolicki](https://twitter.com/cwolicki).

By analyzing social media conversations – and watching what content people are sharing – analysts can answer a number of practical marketing-related questions. Marketing practitioners working in retail (including Rue La La), manufacturing, and telecommunications discuss their experiences.

5 Questions Social Media Marketing Analytics Can Answer

by Mindy Charski



Ronan Keane of XO Communications

XO Communications wants to know when someone online speaks well or poorly of its company or its competitors. In fact, the communications service provider for businesses monitors how that sentiment changes month over month and whether it's neutral, positive or negative. It also answers customer service questions it finds online and, separately, listens for what people are saying about its overall customer service over time. Social media sentiment is one metric of many XO uses to measure the results of its efforts to bolster customer service quality, says Ronan Keane, social media marketing manager at XO.

Social media monitoring for the purposes of reputation management and customer service are the two most common use cases, according to Stephen D. Rappaport, director of knowledge solutions at the Advertising Research Foundation and author of *Listen First!: Turning Social Media Conversations Into Business Advantage*.

But the value of such monitoring reaches further into the marketing function. By analyzing conversations on social networks, blogs, review sites, public and private communities, and other digital gathering places — and watching what content people are sharing — analysts can answer a number of practical marketing-related questions. Consider, for instance, these five discussed by marketing practitioners working in retail, manufacturing and telecommunications:

Why Did My Multichannel Promotion Perform the Way It Did?

When a women's apparel retailer runs a back-to-school campaign, people talk, and they may not always be full of praise. Maybe they say the promotion was better last year; maybe they say they can get a better deal with an online-only retailer; maybe

they say money is too tight to purchase anything new for school; maybe they aren't thrilled with the product selection.

These are the kinds of conversations the media and marketing services company Valassis will be listening for when it launches a sentiment monitoring effort for the retailer that runs from mid-July through early October. By starting in July, Valassis can get a baseline understanding of what people are saying about the retailer and its products each week leading up to launch of the campaign in early August and after it's completed.

As the campaign launches on various channels including television, print and in-store signage, Valassis will also try to understand the impacts of the different media. "It gives us the ability to see what channels are producing what chatter with what attitude," says Dan Sherr, general manager of the Valassis marketing innovation and technology group.



*Dan Sherr of
Valassis*

Evaluating ROI on Social Media Listening

Social media monitoring can be a useful tool for marketers, but is it possible to measure its return on investment? Well, that's complicated.

The act of listening "is not an outcome by itself – it contributes to something else," says Stephen D. Rappaport, director of knowledge solutions at the Advertising Research Foundation. "That's why I feel really strongly that in order to understand the contribution it's making to the business, you have to understand, 'What did it generate? How is it applied? And what was the impact of that?'"

Listening produces insights, but those insights only take on value when they're applied to something, he says, and it's the application that can generate ROI. Finding a new customer segment through monitoring doesn't mean much until a company does something

with that knowledge like launch a targeted direct mail campaign at the segment, for instance. That campaign is what can be measured.

Rappaport says the ROI of listening is easier to measure, however, when the task is sharply defined and there's a business process around it.

Take monitoring for customer service, for instance. There are ways companies can determine the impact of answering customer queries and solving their problems through social channels.

Some measures of performance, according to Rappaport, include: What is the overall service volume we're handling? Are calls that would go to other channels like the 800 number being reduced? Is the complaint handling time being reduced? And, is customer satisfaction increasing or decreasing?

What Improvements Can I Make to My Next Campaign?

Valassis monitored chatter about a promotional campaign the apparel retailer ran, which offered 30 percent off purchases. Valassis was able to uncover useful insights that it can consider this year in the development of a new campaign. For instance, conversations revealed the client faced strong online competition. There were also early indications that with free shipping and free returns, customers would now buy clothing online even though they can't touch and feel it first. Sherr says his firm will do social media monitoring for the same client this year "to begin to confirm and better understand" lessons learned.

In addition, those insights could influence the media mix for this year's promotion. "What we've been saying [to the client] is maybe we should at least be testing a more aggressive campaign with display advertising in order to make sure you've got a strong voice on the Internet like you have a strong voice with TV," Sherr says.

What Topics Should I Cover in My Content Marketing?

XO monitors how visitors on its social media platforms engage with posts about topics like cloud computing or hosted security to better identify the content its customers and prospects are most interested in reading and what questions they are asking. In addition to understanding what to keep posting about on social networks, the company can also use the insight to create digital assets like whitepapers or e-books on popular topics. When people download the content, they can become leads for XO's sales staff.

How Can I Make Customer Emails More Relevant?


The online shopping site Rue La La considers sharing activity on its website when creating targeted emails. The flash-sales site requires shoppers to sign in with an email address, so it has that valuable information along with data about which fashion, beauty and other goods catch users' interest enough to share with their friends.

"If a consumer who has never purchased with us before shares Tory Burch or shares Cole Haan frequently, that's a good marker for interest in that brand, and we may be able to customize email communication to them as a result," says Michael DiLorenzo, Rue La La's vice president of audience development.

How Can I Harness User-generated Content to Promote My Business?

Roofing manufacturer GAF monitors Facebook and other Web sources for positive comments about its company and pictures of its installed products on recent roofing jobs. It rebroadcasts both on its social media channels, including its Facebook page, which is followed by an audience of primarily roofing-related professionals.

“There was some research we did a while back and one of the key reasons people didn’t install certain types of our products was they weren’t familiar enough with them,” says Brian Baker, senior manager of e-strategy at GAF. “We wanted to create familiarity with these products. We wanted to create this perception that these products are standard – this isn’t a new thing, we’re not asking you to take a risk.”

Likewise, though contractors buy GAF products and sell them to homeowners, the company also promotes its products directly to consumers. Says Alyssa Hall, GAF’s marketing communications manager, “There’s definitely a credibility factor when you’re posting images or testimonials that are coming from other people.” 



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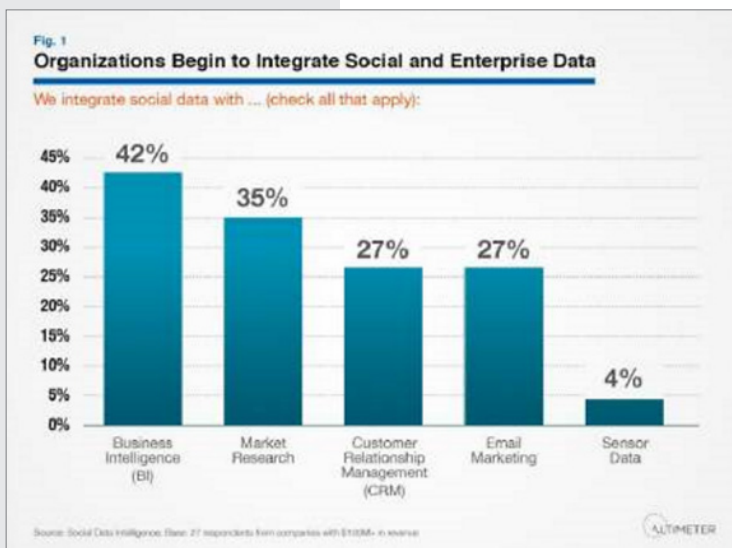
As they analyze social media for decision-making, companies need to be integrating social media data with enterprise systems to get a holistic view of data.

4 Approaches for Integrating Social Media Data with Enterprise Systems

by Joe Mullich

When people are in the mood for a really good porterhouse in Minneapolis, they often head to Manny's Steakhouse. Recently, some customers mentioned their meal wasn't as good as usual. In many cases, a restaurant manager in that situation would have simply given the customers a gift certificate, happy he'd smoothed over a rare complaint. But when Manny's analyzed social media comments it realized such grumblings were becoming widespread. The eatery was able to trace the issue to a meat supplier—a problem that could have gone unnoticed for months without the social media tipoff.

Social media monitoring is about making these kinds of connections. Manny's was only able to uncover the problem quickly by combining verbal feedback, customer surveys, and social media. However, a new study from Altimeter Group found that, in most enterprises, social media is largely disconnected. The average enterprise-class company has 178 social media accounts spread across 13 departments, from marketing to customer support to legal.



"No other dataset is treated in such a fragmented way," says Susan Etlinger, industry analyst at Altimeter Group. "That's because it came in the enterprise through the back door."

The danger is this "fragmented" data is increasingly being used to make strategic decisions—70 percent of the 27 companies in the Altimeter survey view social media in the context of other data to make business decisions. Respondents indicated that BI and market research systems are most common partners for integrating social media data (see **Figure 1**).

Etlinger acknowledges this is a small sample size, but believes it indicates the growing importance of social data.

↑ **Figure 1** Source: Susan Etlinger, Altimeter Group, "Social Data Intelligence: Integrating Social and Enterprise Data for Competitive Advantage," July 25, 2013.

Social data is most powerful when it's combined with transactional data and other sources of information to give a comprehensive view of customers and business conditions. Relying too much on social data runs the risk of making decisions based on a partial view of a situation and missing important pieces of evidence.

Based on Etlinger's report, as well as commentary from other industry participants, here are four key things companies should consider to create a holistic approach to using social data:

1. Think Like Your Customers Do

Today, when a crisis strikes, your customers probably know about it — and may be talking about it in social media — before your executives are aware of the situation. Customers no longer interact with companies in a logical progression; they bounce back-and-forth between online and offline touchpoints in no predictable pattern.

"You have to accept you no longer own the channel," says Melissa Pippine, vice president of marketing at Clarabridge, a maker of customer experience management software. "With social media, it's like when someone calls your company, every phone in the company rings—and you can't shut the phone down."

However, the traditional ways of storing information—such as CRM, business intelligence, ERP, and supply chain systems—assume a more tidy relationship among datasets related to customer interactions. As a consequence, Etlinger says they're too fragmented to provide a holistic view of customers.

Because of this issue, Caesars Entertainment, the gaming company, realized it needed to rethink its processes—which meant thinking like customers. Chris Kahle, the company's Web analytics manager, says in the past Caesars couldn't determine social media's impact on revenues. That began to change when it approached data from the customer's viewpoint and tried to understand the customer's entire journey across all touchpoints and integrating all marketing data. This approach is just evolving, Kahle says. But early indications show that by integrating online and offline data, the hotel's concierges make better recommendations and customers are more receptive to targeted marketing offers made through the right channels.

Tips for Getting More Value From Social Data

Understand that you're using social data now—and maybe badly. People are already using social data to make strategic decisions. They may just not be using that data well because it's isolated from other data in the organization.

Stop the proliferation of disconnected efforts. Social data efforts pop up in isolation. A centralized social media team can coordinate these efforts, and reap more value from the effort.

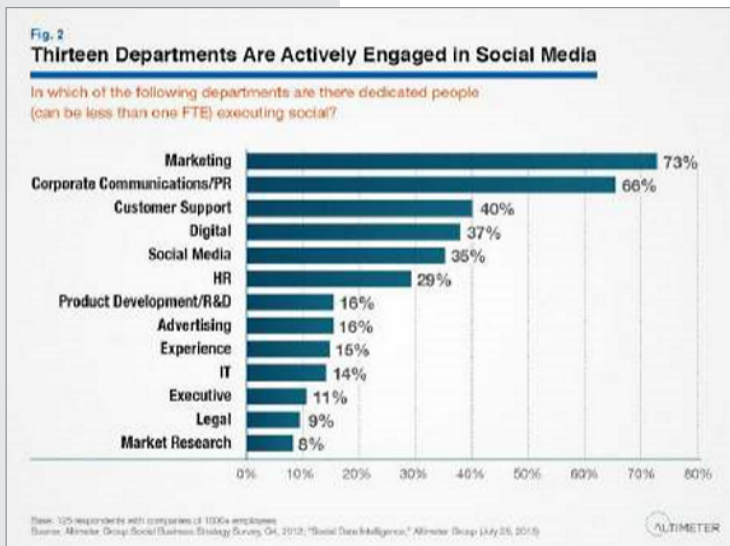
Get real on real-time. The benefit of social is it happens fast—and that's the challenge, too. New technology like SAP's HANA platform can let you take advantage of all these stores of data today, says Susan Etlinger, industry analyst at Altimeter Group.

Understand metrics are tough but doable. Figuring out how to measure social media is hard—but the best approach is to tie these efforts back to your current measures. A good KPI is a good KPI. That said, it sometimes takes some clever thinking to determine how social data ties back to your goals.

2. Speak In One Voice

Folke Lemaitre, CEO and founder of Engagor, whose platform does social media monitoring and analytics, says social data efforts usually start under the aegis of marketing or PR. But eventually those departments realize customer service must become involved as well.

As social data spreads across departments, leading companies are beginning to put all their initiatives under the control of a dedicated social media team. “That way the company can speak in one voice,” Lemaitre says. “You have to realize there are no longer just marketing issues or service issues—there are only customer issues.”



↑ **Figure 2** Source: Susan Etlinger, Altimeter Group, “Social Data Intelligence: Integrating Social and Enterprise Data for Competitive Advantage.”

Symantec, the storage and server company, harvests social data from across the Web and sends it to a centralized team that determines which business function should best handle it. The company has developed a systematic approach where the inquiries are divided into seven buckets (called Actionable Internet Metrics, or AIMs) that incorporate workflow from the company’s top 15 product lines. For example, if a customer is comparing products, this falls under the “lead” AIM—a buying decision is likely to be made soon. The information is routed to the company’s lead generation pipeline.

3. Get Backwards On Metrics

Measuring social media is difficult on many levels.

Pippine says one problem is that departments often use different technologies with different measurements. One system might rate customer sentiment by a simple yes or no, another by a score of 1 to 10. She says a centralized team is needed to reconcile these different inputs to guide decision making. At the same time, it’s important that individual teams—or even, say, a store manager—still has access to metrics customized to their needs.


And make sure those metrics are relevant. While social media churns out lots of data, it’s not always clear what the data means—what is the bottom-line benefit of a Facebook “like,” for example? The best approach, Etlinger says, is to tie metrics to business strategies. For example, if your goal is to understand the impact of social media on revenue, reverse engineer the process—look at revenue-generating activities and connect them back to social content.

It's also important to be clear about the realities of social data in this embryonic stage: leading companies are setting internal expectations about what data is readily available, the resources that are required to analyze it, and the value of the metric.

4. Forget Perfectionism

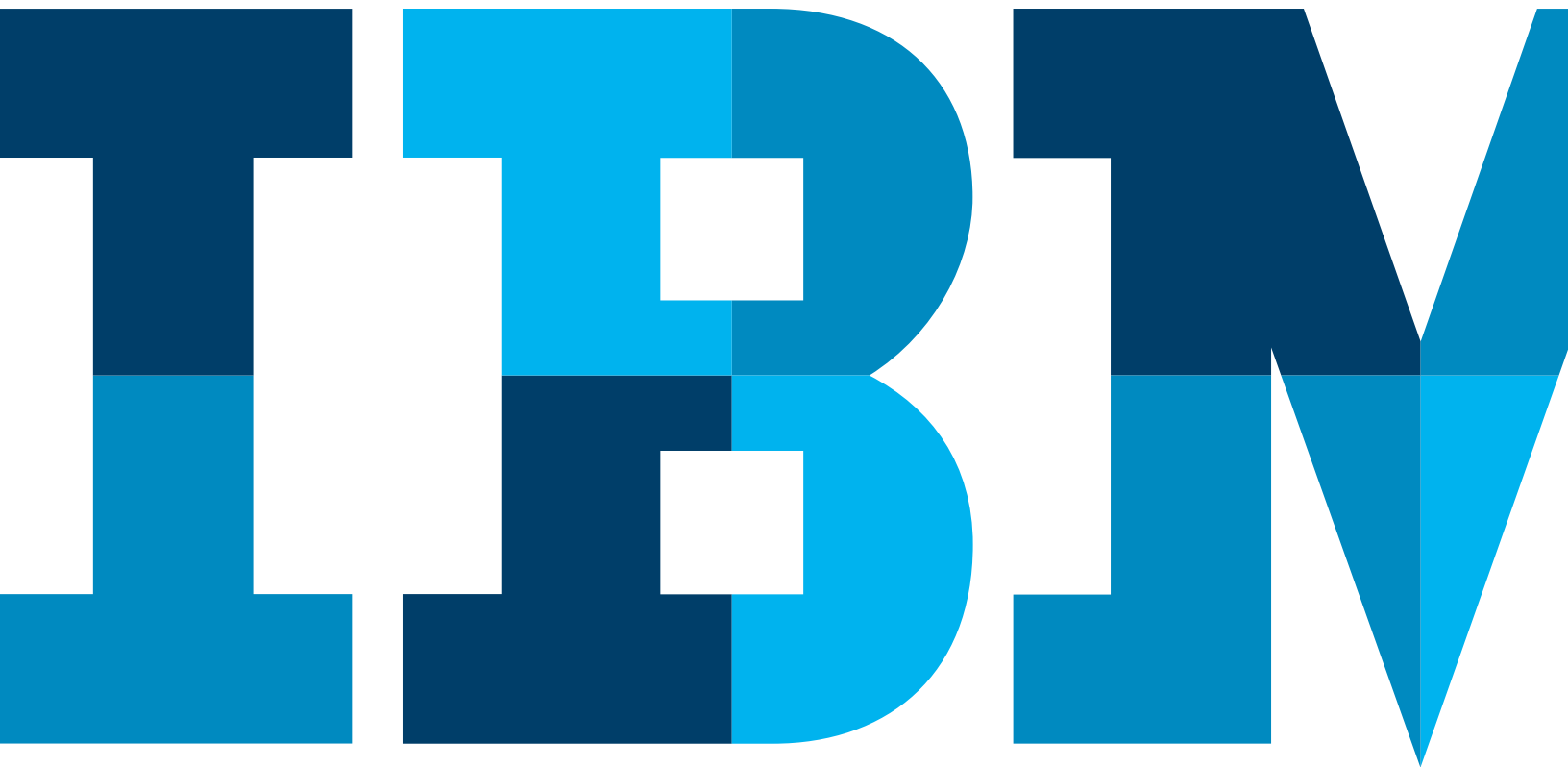
At this point, Etlinger says top companies are making a commitment at the senior level to integrate social media data with other systems, like CRM and market research. "However, the integration is not at a deep technical level in the data warehouse, but rather they are viewing the data in conjunction," she says.

Notably, even with Symantec's impressive systematic approach, most of the processes are still manual—the key benefit for the company at this stage is maintaining a clear vision. This means you shouldn't wait for all technologies and systems to be perfected to tackle social data. Organizations need to act now; this is only going to get more complex as big data, real-time analytics and customer expectations evolve.

"Social data is a dress rehearsal for big data," Etlinger says. "What's going on now is just a taste of what's to come." 

Joe Mullich, a freelance writer based in Los Angeles, can be reached at joe@joemullich.com.

Social media analytics: Making customer insights actionable



Overview

Much has been said about the growth of social media—its multiple channels and the enormous scope of its content and subject matter. Social media seems to offer something for everyone. With the proliferation of mobile devices, social media is available everywhere and its impact is immediate. One need look no further than the daily headlines to see that what began as an innocuous technology trend only a few short years ago has become a powerful instrument of social change.

In the business world, social media is now a powerful marketing tool that seems to find new uses and new users with each passing day. It can be deployed to share news from a corporate event on a near real-time basis, or create a buzz about a great new product within minutes of its launch. Or it can be used to share the details of an unpleasant experience with customer service just as fast.

This paper describes the role social media can play in presenting a more strategic view of customer data and how the right combination of technologies can deliver insight to help companies more effectively meet perpetually shifting consumer demands expressed through, and influenced by, these dynamic communication channels. It covers the implications for not only marketing and sales, but also IT and considers how and why social media tools and applications can be integrated with existing technology investments.

Marketing digitization-following the consumer

Social media is re-shaping the way organizations engage their customers and nurture their relationship to brands, products and services. Here are some figures that give an idea of the scale of the social media phenomenon:

- 1.43 billion people worldwide visited a social networking site last year.¹
- Nearly 1 in 8 people worldwide have their own Facebook page.²
- Last year, one million new accounts were added to Twitter everyday.³
- Three million new blogs come online every month.⁴
- 65 percent of social media users say they use it to learn more about brands, products and services.⁵

For marketers, a good portion of social media's value lies in its ability to aggregate communities of interest, identify specific demographics and thus enable marketers to precisely segment and engage their audience. The goal is to monetize these outputs—to capture the interaction with a brand, product or service, and distill from this information the drivers of preference and ultimately purchase.

A social media strategy, then, seeks to carefully balance message and media with specific consumer segments. This balance is possible because the technology is now available to capture consumer preferences and opinions expressed through social media and apply predictive capabilities to identify new opportunities and determine patterns and propensities to influence and advocate. Companies can then act on this insight by integrating it with one-to-one marketing automation solutions to pinpoint campaigns to specific segments, driving consumer advocacy and ultimately revenue.

The mistake many organizations make, however, is to treat social media as distinct and separate from other customer data and divorced from revenue generating imperatives. What separates the winners and losers in the social media space is the ability to:

- Integrate information from different data sources to drive the business through deeper consumer insight;
- Define what your brand is worth—its equity, reputation and loyalty—at any moment anywhere in the world; and,
- Understand emerging consumer trends and apply predictive models to determine actions with the highest probability to increase relevance and maximize ROI of marketing campaigns.

The time to act is now. Indeed, as a result of social media's rapid growth, recent years have seen an accelerating shift in marketing spending away from traditional channels such as print and broadcast to digital channels. This transformation is being driven by the cost advantages and precision offered by digital marketing platforms. Of particular note is the growing area of applications to manage the increasing volume and influence of social media, and the significant rise of social media spending as a percentage of marketing budgets.⁶

As social media becomes a standard component of most organizations' marketing mix and a source of rich customer insight, its spend is being scrutinized, with better justification and metrics required to engage a vast social media landscape. This analysis requires a rich analytics environment, one which is transformative in its ability to offer a consolidated, global view of customer data and deliver actionable insight.

Social media: A catalyst for richer customer insight

Like any source of customer data, social media requires an understanding of a customer's life cycle within your organization in order to establish sign posts to indicate different methods of engaging them at different points in the relationship. These sign posts act as a roadmap to help your organization knit together a comprehensive view of how a given customer's actions are reflected in multiple purchasing channels, within the company's functional silos, in disparate information systems and in key performance indicators.

With a comprehensive customer view, organizations can derive insight about customer segments and behavior to fuel organic growth through improved retention and cross-sell and up-sell opportunities. The organizations can put trusted information into the hands of frontline employees to improve productivity and customer service and enhance the customer experience that spans all sales channels.

Social media can be a catalyst to help companies achieve:

- *Influence and intimacy.* Social media amplifies the “relationship” in customer relationship management (CRM). Consumers trust their peers. And companies have the ability to aggregate and segment consumer data fairly easily.
- *Scale and speed.* Social media channels enable marketers to reach more customers faster, dynamically, and with greater precision. It can take months of planning, creative development and media purchases to launch a print ad campaign, compared to the immediacy of Twitter and Facebook campaigns.
- *Lower costs.* Social media offers dramatically lower costs to precisely target and engage audiences across multiple channels, segments and locations.

Social media enable organizations to connect and engage consumers in a unique way, but also personalize and monetize customer relationships on a sustained basis to ultimately improve profitability. Social media also provides a path to richer customer analysis, using technologies capable of funneling and consolidating customer insights. Organizations can use these insights to dynamically calibrate, anticipate and offer products and services that meet perpetually shifting consumer demands in a hyper-competitive marketplace.

Social media management: Strategic considerations for marketing and IT

Marketers have embraced social media enthusiastically, for the most part. In a study by Forrester Research, 54% of companies surveyed say that marketing “owns” social media strategy. But nearly one fifth of organizations don’t have a single designated owner of their social media strategy and only 20% have centralized their social media deployment.⁷ This means a potentially fragmented corporate view, with outcomes interpreted differently by each group—from public relations, to market research to sales, to others. That should give IT and the rest of the organization pause, because it means that there may be little coordination in the selection of social media vendors or consistency in the analysis of social media data.

For marketing to create a more universal view of customer data, there’s a pressing need to facilitate the management of social media technology and clarify its relationship to corporate performance. IT can help guide the integration of social media strategy and technologies into the wider enterprise. IT has an opportunity to influence both the short-term needs and long-term requirements and integrate social media applications with the operational systems that provide reporting and analysis of business performance.

As companies move from tentative early experiments with social media to a more systematic approach, data integration and accompanying skills become paramount—especially if there is a desire to connect social media tools and technologies to business processes and supporting IT infrastructure. Social media can have a wide impact on an organization’s different functions, requiring a cross-functional approach to its adoption and management—which includes a close partnership with marketing and IT.

Indeed, IT can help in the selection of social media tools to help groups like market research be confident that the data they view is accurate and validated. IT can ensure smooth integration between unstructured and structured pools of data for analysis, such as unstructured social media data and structured data from a company’s transactional databases. As Forrester Research observed, “firms expect this data to conform to the high quality and reliability standards that they expect from their traditional data sources.”⁸

Ray Wang of Constellation Research makes the point that, as guardians of data and its distribution within the enterprise, IT has ample opportunity to be engaged in social media strategy. Wang points to the need for executive support and internal collaboration in terms of both functional and cross-functional requirements. This is where IT can remind marketing of the wider opportunity to link social media strategy to existing IT points of integration, as well as consulting on vendor selection.⁹

Social media readiness: Key performance questions

And yet, Not all organizations are equally ready to use social media. Very often a company may start with little agreement on appropriate metrics and their relationship to business performance. There may be a proliferation of social media vendors for each functional area within marketing, and only rudimentary analysis of social media sentiment and other areas of analytics. This affects an organization's ability to extend their analysis, such as the capacity to apply text mining and predictive capabilities to social media data.

The level of maturity shapes the questions marketers need to ask themselves, and is largely based on how aggressively they have engaged social media and applied analytics to their investment in these channels.

The following general questions reflect various levels of adoption of social media, from an initial assessment to a more complex effort to integrate social media insight into customer processes.

Assess

- What are your customer objectives? Are you looking to:
 - Attract customers?
 - Increase the value of existing customer relationships?
 - Retain customers?
- How do customers interact with you today?
- What are they interested in?
- Where and when do they use social media?
- Are there significant influencers who speak to your brand or products?

Measure

- Who are you targeting with your social media initiatives and why?
- What will you be measuring:
 - Share of voice
 - Activation
 - Brand sentiment
 - Influencers
- Sales over the life of the customer relationship?

Integrate

- What is your vision for social media and its integration into operational marketing systems?
- Do you have a profile of your customer advocates? Can you predict sentiment on products, services, campaigns?
- How do you measure the effects of social media on brand equity and reputation, pipeline, and sales orders and margins?
- How will you integrate social analytics into other customer analytics?

Regardless of the sophistication and scope of the social media initiative, the end goal is alignment with corporate imperatives and goals, and a measureable return on investment.

IBM Social Media Analytics

IBM Social Media Analytics helps enable rich analysis that provides insight into critical business functions such as marketing, customer service, product development and supply chain. Built on IBM's analytics platform, it is designed to analyze billions of social media comments and can provide tailored results through interactive dashboards and customized reports. It helps marketing professionals transform their customer relationships by actively incorporating consumer sentiment and sophisticated analytics into the business and marketing strategy of their organization, so they can be more precise, agile and responsive to market demands.

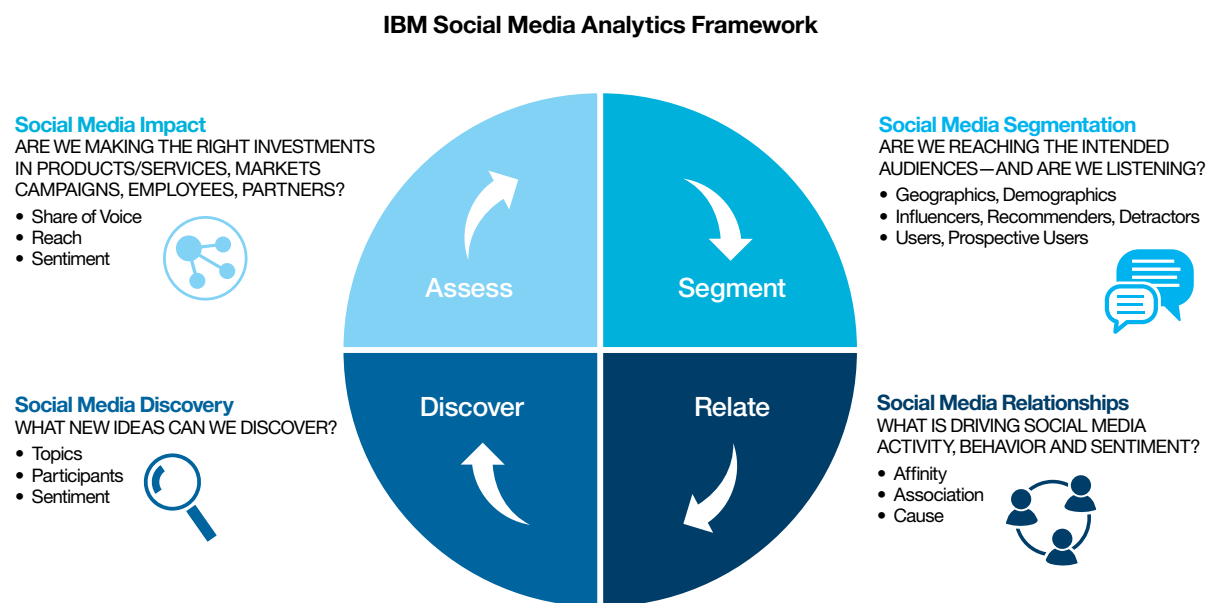


Figure 1: IBM Social Media Analytics helps organizations act upon social media insights to solve business problems.

IBM Social Media Analytics works by analyzing content drawn from publicly available websites in the form of fragments or “snippets” of text that contain the user’s search terms. The snippets are stored in a database that can be further searched and analyzed using dimensions such as date, region or keyword, the tone of the feedback, and other factors to provide insight into consumer attitudes toward your brand, products and services.

IBM Social Media Analytics then automatically identifies and tags relevant content and processes your analysis results based on relevance to products or business issues. It helps you expand your analysis by offering related topics beyond your initial search and also enables you to communicate your insights throughout the business with collaborative tools.

As shown in Figure 1, IBM Social Media Analytics helps organizations go beyond mere social media “listening” so they can act upon insights and solve business problems. By providing capabilities to measure social media impact, segment audiences, understand relationships and discover new opportunities, it helps organizations continually improve and refine their business tactics and strategies. Each of these capabilities can be seen as phase in developing an effective social media approach.

Assess

This is typically the initial step in social media analytics usually referred to as “listening.” In this step you are monitoring what’s happening in the social world to uncover sentiment regarding your products, services, markets campaigns, employees and partner. Although you may gain detailed information, the data has not yet been transformed into effective action.

Segment

The ability to segment your audience is fundamental to a successful social media strategy. IBM Social Media Analytics helps you categorize your audience by locations, demographics, influencers, recommenders, detractors, users and prospective users. You can use this intelligence to understand if you are reaching your intended audience, and hone your messages to gain the most favorable results with your intended targets.

Relate

Understanding the relationships between social media topics is an advanced capability that helps determine the strength of negative or positive sentiment. For instance, you can use the IBM SPSS® clustering algorithm in IBM Social Media Analytics to identify the affinity of multiple topics such as “high ATM fees” and the name of a particular bank. If the sentiment clustered together for those terms tend to be very compacted then that can be seen that as highly concentrated or a “high” affinity. This insight can then be used to guide a variety of decisions such as which actions will improve customer satisfaction, where to spend advertising dollars, and which competitor weaknesses should be targeted.

Discover

This capability helps organizations discover the “unknown unknowns” among social media topics, participants and sentiment. The powerful analytical platform of IBM Social Media Analytics can uncover hidden or unexpected elements within social media dialogues that may be critical to your business strategy. For example, you could reveal issues like product defects associated with other brands that could have an impact on your similar brand. Even though you would never have thought of adding this search to social media analysis, discovery will show that it is very relevant and important.

Applying predictive capabilities to social media

Fundamentally, social media analytics provides a broader view of the consumer and increases the ability of an organization to see new patterns and opportunities. More importantly, it enables marketers to peer into the customers’ “voting record”—the digital footprints of their countless decisions. It has the power to tell us who they are and what matters to them. And, as a result, it provides marketers with a new way to present customers with options and experiences they can’t resist.

So what are the implications for your customers? By combining social media data with predictive capabilities, organizations can go beyond 1-to-1 marketing, building marketing campaigns not only targeted at specific customer segments, but delivered at the right time, through the right channel, and with the offer most likely to be accepted. Understanding the key concerns of a particular segment enables you to build “intervention” offers or messages designed to assuage and mitigate customer issues, preventing churn and making customers more loyal and profitable.

In this context, social media data can be used to begin a more detailed analysis of the consumer and combine it with demographics, preferences, behaviors and interests, using the sophisticated text analysis and predictive capabilities of SPSS software.

For example, you can treat social media as a data source as you do other customer data. In this scenario, IBM Social Media Analytics content (in the form of the text “snippets” mentioned earlier) is stored in a searchable database and then fed into a powerful text analytics platform, which enables us to determine categories and groups of consumers. You can then survey identified segments, such as those identified as advocates or social leaders, to ascertain demographics, interests and preferences.

From here, you might compare them against existing segments in a customer database to gauge potential reaction to new offers. This insight helps confirm new trends that can be applied to existing customers for targeted campaigns to support viral marketing to specific segments with special offers to encourage advocacy. A recent story in the business press, for example, described a cosmetics company that identified online advocates for a particular brand of eyeliner. In advance of a new launch, this company sent product kits to these advocates, who, shortly thereafter, created viral buzz for their stores during a much larger new product launch.

In this type of situation, IBM Social Media Analytics could help describe the current state of your brand as seen through the lens of social media. But then IBM takes the process further, with SPSS predictive analytics. SPSS software takes the descriptive information from IBM Social Media Analytics and adds predictive and prescriptive capabilities to provide guidance on what action you should take in response to what you have learned, such as discerning new customer segments, predicting sentiment and applying propensity models on the likelihood of specific customers to be advocates.



Figure 2: IBM Social Media Analytics can help organizations discover hidden trends and topics that common social media searches miss.

Transforming insights into effective actions

Simply listening to customers on social media is not enough. Listening is a starting point. But the end goal is revenue.

Those organizations best able to differentiate themselves have an ability to incorporate social media analytics into their customer and marketing automation processes, to monetize their investments and integrate insight into their customer data. This provides a foundation from which organizations can link measurement and the tactical execution of social media strategies to the imperatives of revenue generation.

But this isn't just for marketers. It must involve cross-functional teams, such as IT and product teams that help the organization create relationships, build advocacy and improve loyalty—all with the goal of driving revenue. Social media provides the means to do just that. And an integrated business analytics approach provides additional depth to capture, analyze and act on this insight.

About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in such areas as customer analytics that can have a profound effect on business performance. They can compare scenarios; anticipate potential threats and opportunities; better plan, budget and forecast resources; balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision making to achieve business goals. For more information, see ibm.com/business-analytics.

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